HOUSE BILL REPORT HB 1444

As Reported by House Committee On:

Labor & Workforce Development

Title: An act relating to the benefits of a surviving spouse of a member of the law enforcement officers' and firefighters' retirement system or Washington state patrol retirement system.

Brief Description: Addressing the benefits of a surviving spouse of a member of the law enforcement officers' and firefighters' retirement system or Washington state patrol retirement system.

Sponsors: Representatives Kirby, Hope, Upthegrove, Liias, Maxwell, Stanford, Reykdal, Orwall, Sullivan, Sells, Hurst, Fitzgibbon, Kelley and Ormsby; by request of Law Enforcement Officers and Fire Fighters' Plan 2 Retirement Board.

Brief History:

Committee Activity:

Labor & Workforce Development: 1/28/11, 2/1/11 [DPS].

Brief Summary of Substitute Bill

• Provides that surviving spouses of members of the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 and the Washington State Patrol Retirement System receive monthly industrial insurance benefits regardless of remarriage.

HOUSE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Sells, Chair; Reykdal, Vice Chair; Green, Kenney, Miloscia, Moeller, Ormsby and Roberts.

Minority Report: Do not pass. Signed by 5 members: Representatives Condotta, Ranking Minority Member; Shea, Assistant Ranking Minority Member; Fagan, Taylor and Warnick.

Staff: Joan Elgee (786-7106).

House Bill Report - 1 - HB 1444

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background:

Workers injured in the course of employment receive various industrial insurance benefits. If death results from the injury, the surviving spouse receives a monthly benefit ranging from 60 to 70 percent of the wages of the deceased worker. If a surviving spouse remarries, monthly benefits are discontinued at the end of the month in which remarriage occurs. A surviving spouse who remarries may choose to receive a lump sum of 24 times the monthly rate, with some adjustments, or 50 percent of the remaining annuity value of the pension, whichever is less. If the surviving spouse does not choose the lump sum option and the remarriage ends in death, annulment, or dissolution, monthly benefits may be reinstated.

In 2010 legislation was enacted increasing the amount of the lump sum option to 36 times the monthly rate for surviving spouses of members of the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) and the Washington State Patrol Retirement System (WSPRS). (Only members of the LEOFF Plan 2, those hired on or after October 1, 1997, are eligible for industrial insurance.)

Summary of Substitute Bill:

Surviving spouses of members of the LEOFF and the WSPRS continue to receive monthly industrial insurance death benefits for death resulting from a workplace injury for life regardless of remarriage. These surviving spouses are not eligible for a lump-sum payment.

Monthly payments for a surviving spouse of a LEOFF or a WSPRS member who remarried resume, regardless of whether the surviving spouse received a lump-sum benefit. The payments for a spouse who received a lump-sum payment are actuarially reduced to reflect the lump-sum payment.

Substitute Bill Compared to Original Bill:

The substitute bill provides that a surviving spouse of a LEOFF or a WSPRS member is not eligible for a lump-sum payment, and that if a surviving spouse selected a lump sum payment before the effective date of the bill, the resumed monthly payments must be actuarially reduced to reflect the lump-sum payment. In addition, the substitute bill clarifies that monthly benefits continue for the LEOFF and the WSPRS surviving spouses.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill has passed the House of Representatives with as many as 94 votes. The inconsistency between the retirement system and the industrial insurance is wrong. These professions are very hard on people. In a recent 24-hour period, 11 law enforcement officers in the nation were shot. The last thing officers want to worry about is if their family will be taken care of. Proponents are continuing to work with the Department of Labor and Industries and the Senate.

(Opposed) None.

Persons Testifying: Representative Kirby, prime sponsor; Kelly Fox, Washington State Council of Fire Fighters; Dave Hayes, Washington Council of Police and Sheriffs; and Renee Maher, Council of Metropolitan Police and Sheriffs.

Persons Signed In To Testify But Not Testifying: None.

House Bill Report - 3 - HB 1444